

97-84274-17

Macara, Charles W.

The cotton industry before
the Brooklands...

[Manchester]

[1912]

97-84274-17

MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

331.8

Z

v.10

Macara, Sir Charles Wright, bart., 1845-1909.

... The cotton industry before the Brooklands agreement - and since; what has been accomplished by voluntary agreement between the representatives of employers and operatives; an interesting and authoritative review by Sir Charles W. Macara, bart. ... Manchester, Employers' parliamentary association, 1910,

7 p. 21¹ cm.

Caption title.

FOLIO OF PAPER

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mmREDUCTION RATIO: 9:1IMAGE PLACEMENT: IA (IIA) IB IIBDATE FILMED: 12-4-97INITIALS: SPTRACKING #: 30081

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

B34, 10

33/8

2

9

[Issued under the auspices of the Employers' Parliamentary Association, 15, Cross Street, Manchester. March 19th, 1912.]

THE COTTON INDUSTRY BEFORE THE BROOKLANDS AGREEMENT —AND SINCE.

What has been accomplished by Voluntary Agreement
between the Representatives of Employers and Operatives.

An Interesting and Authoritative Review by

SIR CHARLES W. MACARA, Bart.

Amazing changes have been wrought upon the cotton industry by the Brooklands Agreement since its adoption by employers and employed nineteen years ago. Those who are now only in middle age will have no difficulty in recalling the state of affairs that characterised the conduct of the Lancashire cotton industry throughout their earlier years. Let me take a survey of the preparatory and spinning branch. There was a dispute over wages reduction in Oldham in 1869, which, though settled by arbitration, was the occasion of many desultory strikes. Next year the reduction—one of 5 per cent.—was made good by an advance of the like amount. In 1877, however, a reduction of 5 per cent. was effected, and in the following year the employers demanded a further reduction, this time of 10 per cent. The Oldham minders and twiners refusing to agree, a lock-out followed, which lasted five weeks and three days, and was settled by the operatives accepting a reduction of 5 per cent. The stoppage occurred in mid-winter, and

A SORRY CHRISTMAS

it must have been in many a Lancashire home. In the following September another reduction of 5 per cent. was effected—this time without a lock-out; but that reduction was made good to the operatives in January, 1890. Exactly a year later another 5 per cent. advance was conceded to the spinners, but was refused to the twiners and their piecers. The latter thereupon struck work, and remained out on strike for about six months. In April, 1885, the employers proposed a 10 per cent. reduction,

whereupon a struggle supervened, the operatives being locked out and the mills closed for thirteen weeks, after which the dispute was settled on the terms of a 5 per cent. reduction. Three years later the reduction was made good to the operatives, and in 1891 they were conceded an advance of 5 per cent. Next year, however, the employers attempted to reclaim this 5 per cent., and were resisted by the operatives. The result was a long and disastrous conflict, lasting for 2½ weeks. This was ultimately settled by the compromise of a reduction calculated at 7d. in the £, and the adoption of the Brooklands Agreement, which happily, inaugurated so very different a state of affairs between employers and employed.

In the weaving branch during this same period there were also numerous local mill strikes and lock-outs, which were characterised by disputes so long and bitter as to inflict overwhelming damage upon certain Lancashire towns. The most shocking episode in this chapter of industrial strife was the Blackburn weaving riots in the 'seventies, in which the home of Col. Raynsford Jackson (chairman of the N.E. Lancashire manufacturers) was pillaged and burnt, and he himself went in peril of his life.

The industrial treaty known as the Brooklands Agreement, which terminated the 20 weeks' wages dispute, 1892-3, and has regulated negotiations between employers and operatives in the cotton spinning trade ever since, declares in its preamble that "the representatives of the employers and the representatives of the employed hereby admit that disputes and differences between them are inimical to the interests of both parties, and that it is expedient and desirable that some means should be adopted for the future whereby such disputes and differences may be expeditiously and amicably settled and strikes and lock-outs avoided."

THE BROOKLANDS AGREEMENT

The Brooklands Agreement was signed by the representatives of the Employers' Federation, the Amalgamated Association of Operative Cotton Spinners, the Amalgamated Association of Card and Blowing Room Operatives, and the Amalgamated Northern Counties Association of Warpers, Reelers, and Winders, and has, with the exception of the seven weeks' stoppage in 1908, and of one week's stoppage referred to later on, been the means of settling all disputes that have arisen since it was signed, nineteen years ago. This result has been secured entirely by negotiations carried on between the parties themselves.

Intervention in the cotton trade has never been popular either with employers or operatives.

After the settlement of the dispute of 1897 it became apparent that the Brooklands Agreement required some supplementary scheme to come into operation when a deadlock arose. Arbitration was then offered by the employers, and the proposal was nearly carried through, but broke down on a matter of detail. Much consideration was subsequently given to a scheme which was formulated by the employers for the regulation of wages according to the state of trade, and engaged the attention of representatives of both sides during the years 1899 and 1900, many conferences being held. The scheme broke down at the end of 1900, on account of the refusal of the operatives to submit their estimate of trade profits to impartial investigation. Several leading men on both sides, however, were convinced that an automatic scheme for the regulation of wages was not only possible, but ought to be carried out, and pursued the idea assiduously. Various attempts were made to bring this mode of settlement into operation in connection with wages disputes, but the operatives always objected to discussing such a scheme while a dispute was in process.

The settlement of the dispute of August, 1905, which was signed by representatives of the organisations on both sides, contained a clause that the joint committee which settled this dispute should meet together as early as possible for the formation of a scheme for

THE REGULATION OF WAGES

according to the state of trade. As a preliminary to the carrying out of this undertaking, the scheme which had been devised in 1899, and over which there had been nearly 20 conferences, was revived, with some modifications in its working, by the employers, who decided to put it to a practical test. Under this revised scheme a sub-committee of the Liverpool Cotton Association was appointed, the duty of this committee being, first, carefully to inquire into and settle the various grades of cotton from which standard counts of yarn are spun, and then, meeting twice a week, to decide the market value of these grades of cotton and to transmit the prices to a well-known firm of chartered accountants in Manchester. An equally well-known Manchester firm of yarn agents, who sell for many spinners, was selected, and asked to transmit to the same accountants in Manchester the market prices of the standard counts of yarn each Tuesday and Friday.

This arrangement has been going on for more than six years, and from the first these figures were sent to the firm of accountants in Manchester by the Liverpool Cotton Association and the firm of yarn agents on the distinct understanding that they were not to be disclosed without their permission. They have been tabulated solely to be used in the event of a dispute, and will clearly show the margin between selling yarn on the Manchester Exchange and buying cotton to cover it the same day, all speculation for a rise or fall in the market being thus eliminated. The working of this scheme was fully explained to representatives of the operatives, and a further step was taken to make an experiment by applying the result of the tabulation of these figures to selected mills, an accountant being appointed to act for the employers and another for the operatives to carry this out. It will be seen that this scheme provides three sets of experts, who are not only independent of the employers and operatives, but are each independent of the other, the first dealing with the purchase of the raw material, the second with the sale of the yarn, and the third with the gross margin arrived at between the price paid for the raw material and the price obtained for the yarn, and from this to ascertain, after deducting all the expenses (which vary according to the time under review), what return is left on the capital employed, and whether a rise or fall in wages in accordance with the Brooklands Agreement is warranted. The Brooklands Agreement does not admit of more or less than a 5 per cent. rise or fall at a time, and this only after an interval of two years from the last alteration in wages.

Since the Brooklands Agreement came into existence, 19 years ago, the operatives have had nearly 18 per cent. advance in wages, the male card-room hands having had 5 per cent. more than this; but in 1908 a 5 per cent. reduction all round came into operation.

THE STANDARD FROM WHICH VARIATIONS IN WAGES ARE MADE.

On the recommendation of the President of the Board of Trade, the consideration of the scheme for the regulation of wages according to the state of trade was revised in the latter part of 1909. Sir Edward Clarke presided over the joint meetings in Manchester, and considerable correspondence subsequently took place between him and myself as president of the Employers' Federation. Copies of the correspondence were forwarded by Sir Edward Clarke to the operatives' organisations. It appears from this correspondence, which was

published at the time in one of the operatives' reports, that a deadlock arose owing to the failure to agree as to the standard from which advances and reductions of wages should be made. The last proposition of the employers was that the "standard" should be fixed at 5 per cent. below present prices, and that the maximum rates should be 15 per cent. above that standard and the minimum 10 per cent. below the standard. The employers' proposition, which was an advance on anything they had offered before, was to fix the standard at the highest point that wages had ever reached prior to the advances given in the recent boom, which was brought about by exceptional conditions of trade.

The seven weeks' stoppage in 1908 has been previously referred to. In connection with it, it has to be recorded that the Operative Spinners' Amalgamation, which is generally considered the strongest trade union in the cotton trade, accepted the 5 per cent. reduction in wages asked by the employers, whilst the Card-Room Workers' Amalgamation declined to accept it.

The result of the action of the latter was the complete stoppage of mills containing about 40,000,000 spindles.

It cannot be made too clear that the cotton industry is interdependent to such an extent that a dispute with one section of the organised operatives leading to a stoppage brings about in a very short time the paralysis of the whole industry. Not only so, but the effect spreads to the numerous industries and great mercantile interests which are so closely associated with the cotton industry. In the two processes of cotton spinning and weaving alone there are nearly 600,000 persons employed, and the employment given by the other industries referred to approaches enormous dimensions.

It will be seen that, in accordance with the terms of the pre-amble to the Brooklands Agreement, and with the clause in the 1905 settlement, both of which have been referred to, the employers have faithfully endeavoured to frame a scheme for the regulation of wages acceptable to the operatives, and to the establishment of which both sides are equally pledged.

SUMMARY OF NEGOTIATIONS, 1910

The following summary of the negotiations between employers and operatives, in connection with the request by the former for a reduction of 5 per cent. in the wages of the opera-

tives, will be interesting. On April 8 a meeting of the General Committee of the Employers' Federation unanimously resolved that, on account of the bad state of trade, a demand for a reduction of wages was justifiable. Ten days later a conference with the operatives' representatives was held, and the request for a 5 per cent. reduction was formally made. A two weeks' adjournment was then agreed upon to enable both parties to consult their members. On April 27 a mass meeting of the Federation members was held, and was attended by firms representing 70 per cent. of the whole number of spindles in the Federation. The meeting, with two dissentients, endorsed the action of the General Committee. Meetings of the operatives' amalgamations also took place, at which the members resolved not to agree to the suggested reduction. The two weeks' adjournment having then elapsed, the representatives of employers and operatives met on May 2. After a protracted discussion, the conference terminated without a settlement being attained. On the one hand, the operatives' leaders asked the employers to waive their proposals for twelve months, undertaking that no application for an advance should be made during that period; on the other hand, the employers, in order to meet the views of the operatives with regard to the loss of wages sustained by them during short-time working, expressed their willingness to recommend the postponement of the reduction till the first pay-day in September, when it was hoped the mills might be again running full time.

On May 4 the Employers' Federation issued ballot papers to their members, asking if they were prepared to enforce the 5 per cent. reduction in wages. The day on which the employers' ballot was due for declaration was the day of the funeral of King Edward VII. The employers decided, out of respect to the memory of his late Majesty, and so as not to cloud the first few months of the reign of King George V. with a great industrial struggle that all action for the enforcement of the reduction should cease for a period of three months. Unofficial conversations between some of the most prominent men on both sides led to a conference being held on July 15, at which terms of settlement were discussed, and an agreement was entered into and signed by the secretaries of the four organisations concerned, subject to the approval of their members. This agreement was ratified by the members of the various organisations, the last to send in their confirmation being the Card-Room Amalgamation, whose meeting was held on Saturday, August 6, 1910.

TERMS OF SETTLEMENT

That the demand for a 5 per cent. reduction in wages be withdrawn on the following conditions:—

(1) That the words "one year" in Clause 4 of the Brooklands Agreement be amended to "two years."

(2) That no demand either for an advance or reduction in present wages be made for a period of five years from this date (July 15, 1910).

(3) That Clause 2 shall not prevent the formation of lists where such lists do not exist, or the adjustment of existing lists.

A WEEK'S LOCK-OUT IN OCTOBER, 1910

In June, 1910, a grinder, refusing to obey certain instructions at a federated mill, was discharged, with the result that the Card-Room Amalgamation withdrew their members from the mill, thus causing a complete stoppage of work.

This action of the Card-Room Amalgamation was regarded by the Federation as a breach of Clauses 6 and 7 of the Brooklands Agreement, and all attempts (including the offer of arbitration) made by them to arrive at a settlement failing, it was unanimously resolved at a mass meeting of the members, held on September 19, to establish a general lock-out, to take effect from October 1.

On October 6 matters were adjusted to the extent of enabling the lock-out notices to be withdrawn, both sides agreeing to present their interpretation of Clauses 6 and 7 of the Brooklands Agreement to a joint conference, and, failing agreement, then to arbitration.

WEAVERS LOCKED-OUT FOR 3½ WEEKS IN 1912

Since 1878 there has been one stoppage of work in the weaving section of the industry. This took place in the early part of this year in connection with the operatives included in the district covered by the North and North-East Lancashire Cotton Spinners and Manufacturers' Association, and was caused by unionist operatives "striking" certain mills at which non-unionists were employed.

400,000 looms, or about half the looms in Lancashire, were affected.

Since 1893 various modifications of the original clauses of the Brooklands Agreement have been made, and new clauses have been introduced. Experience has shown that these changes were desirable, and their adoption has always been the result of friendly negotiation between the parties concerned.

Outside intervention in differences and disputes in the cotton industry has never been acceptable, and their settlement has in all cases been effected by joint meetings of representatives of employers and operatives.

**END OF
TITLE**